

# Pension

**Mission.** The mission of the retirement funds is to ensure resources that will meet or exceed benefit obligations.

**Overview.** The City has two distinct pension funds. The Wichita Police and Fire (WPF) fund provides for the retirement of police officers and firefighters, which includes three separate plans: Plan A, Plan B, and Plan C-79. Plans A and B are closed. Under C-79, an employee can retire with 30 years of service regardless of age, or with 20 years of service and 50 years of age.

For general government workers, the Wichita Employees Retirement (WER) Fund has been established which includes Plan 1, Plan 2 and Plan 3. Plan 1 is closed. Under Plan 2, an employee can retire at age 62, receiving 2.25% of their final average salary per year of service. Plan 3 is a defined contribution plan.

Sixteen member boards administer both pension funds. The WER Board includes seven members appointed by the City Council, seven members elected by plan participants, the City Manager and the City Manager's designee. The P&F Board includes seven members appointed by the City Council, six elected by members, the City Manager, the Fire Chief and the Police Chief. The investment activities of the Board are consolidated, with oversight from an eleven member Investment Committee composed of WER and WPF Board members. Pension Management provides staff support for the Boards.

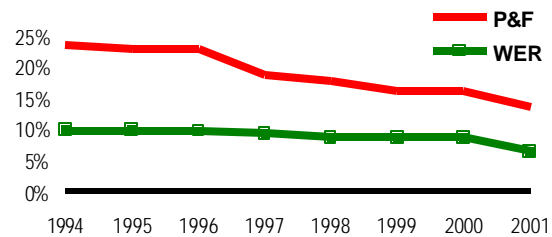
**Finance and Operations.** Pension funds are invested based on the asset allocation plan adopted by the boards. In the past, this allocation has been 66 percent into equities and 34 percent into fixed income instruments. An annual return of 7.75 percent is

assumed for actuarial purposes. In recent years, returns have exceeded this level.

Pension Statistics			
	1997	1998	1999
WER fund return	17.03	19.93	16.75
WPF fund return	12.76	16.24	17.88
WER funding ratio	112.6	122.9	120.0
WPF funding ratio	101.6	107.5	113.0

Revenues are generated from employee and employer contributions. Employer contributions are established annually, based on the actuarial condition of the funds. In the past, due to investment returns significantly above the assumed level, employer contribution rates (as a percentage of payroll) have dropped.

**Employer Pension Contribution Rates  
1994 - 2001**



Pension Fund Budget Summary					
	1999 Actual	2000 Adopted	2000 Revised	2001 Adopted	2002 Approved
WER - Pension Benefits	14,886,688	14,500,000	15,850,000	16,700,000	17,650,000
WER - Other Expenses	4,406,950	6,262,890	5,808,340	6,058,780	6,242,060
<b>Total WER Pension Fund Expenditures</b>	<b>19,293,638</b>	<b>20,762,890</b>	<b>21,658,340</b>	<b>22,758,780</b>	<b>23,892,060</b>
<b>WER Plan 3 - Other Expenses</b>	<b>411,750</b>	<b>562,500</b>	<b>584,600</b>	<b>695,150</b>	<b>700,400</b>
WPF - Pension Benefits	13,497,260	14,000,000	15,000,000	15,500,000	16,500,000
WPF - Other Expenses	3,563,872	4,521,430	4,535,260	4,659,920	4,813,760
<b>Total WPF Pension Fund Expenditures</b>	<b>17,061,132</b>	<b>18,521,430</b>	<b>19,516,260</b>	<b>20,159,920</b>	<b>21,313,760</b>
<b>Total Pension Funds</b>	<b>36,766,519</b>	<b>39,846,820</b>	<b>41,941,660</b>	<b>43,796,480</b>	<b>46,090,240</b>
<b>Position Summary</b>					
Total full-time	5	5	5	5	5
Total part-time	0	0	0	0	0
Total FTE	5	5	5	5	5